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FOREST PRODUCTS UTILIZATION and MARKETING ASSISTANCE for

- Woodland Owners
- Loggers
- Processors



U. S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE PA-752

An Open Letter to Woodland Owners Loggers and Processors:

A well-managed working forest will produce a stream of valuable forest products. Before these products reach the ultimate consumer, they will have passed through the hands of many people including loggers, truckers, processors, wholesalers, and retailers.

It is natural for everyone to want a fair profit on what he sells, whether it is a product or a service. Modern methods of utilization and marketing, properly applied, can help cut costs and provide a larger margin for profit to the woodland owner, the logger, and the processor.

Utilization and marketing are specialized activities calling for the services of well-trained men. The U.S. Department of Agriculture is cooperating with State and private segments of the forestry profession to bring such services to people who need them and want them.

The purpose of this folder is to acquaint you with this utilization and marketing program and show you how to benefit from it.

A handwritten signature in dark ink, reading "Edward P. Cliff". The signature is written in a cursive style with a large, prominent "E" and "C".

EDWARD P. CLIFF, Chief
Forest Service

DID YOU KNOW . . .

That the forest-based industry ranks among the largest in the Nation? Each year, from our 500 million acres of productive forest land flow forest products worth more than 1 billion dollars on the stump. Multiply this by 25 because an average of \$24.00 is added to every dollar of stumpage by the time the product reaches the ultimate consumer. Thus, more than 25 billion dollars goes out to the national economy as wages for workers and income for those engaged in growing, harvesting, fabricating, transporting, and distributing forest products.

The forest-based industries are characterized by extremes. The individual units range from enterprises involving two men, a power saw, and a truck to multimillion-dollar businesses involving hundreds of people. It is important to note that many small operations, if adequately financed, properly equipped, and well managed, can and do operate at a profit. State Foresters and the U.S. Forest Service, working with the State Extension Services, assist woodland owners, loggers, and processors in achieving better harvesting practices, more efficient processing, and more profitable marketing.

Many rural communities active in Rural Areas Development programs look to their forest resources to supplement or bolster their economies. The Forest Service and other Federal and State agency representatives serve on RAD Technical Action Panels, and furnish forestry information and assistance to State and local RAD Committees. It is through these efforts that many forest industries are being established or expanded.

Family forests supply more than one-half the raw material for the wood-using industries of the Nation. It is worth noting that abundant timber usually attracts new forest-based industries. For example, timber supplies have recently attracted a number of new plywood and pulp and paper plants to the South.

Private woodlands also contain a great variety of special products, many of them in continuing demand. Products such as Christmas trees, nuts, maple syrup, naval stores, floral materials, tree seeds, and medicinal materials can provide additional periodic income.

In short, no matter what your forest products may be, how abundant or how good they are, the final payoff comes in how they are used and marketed. Here are some tips that can mean more profit for you—



IF YOU ARE A WOODLAND OWNER . . .

Whether you are interested in a multiple use management plan for your woods or in the sale of products from your land, you would be well advised to seek the aid of your State Service Forester.¹ The forester is familiar with the present and future needs of the area's wood-using industries. He also is aware of new developments in utilization and marketing. He will be an invaluable aid in planning a harvest of timber or special products. His advice will aid you in—

FINDING A MARKET. The service forester knows the needs of the local industries. Hard-to-market species, sizes, and grades of forest products will require special attention. The forester can help you obtain a better return by timing the cut to take advantage of the markets offering the best price. A profitable sale often depends upon a careful market analysis and advance planning to meet a specific demand.

ECONOMICAL HARVESTING. You can frequently save money by doing the harvesting yourself. In so doing, you may be able to use your farm equipment. The local forester can advise you on techniques and suggest innovations to suit the job. If you prefer to contract the harvesting to a professional logger, the service forester can arrange this.

¹ *A service forester is a State-employed forester who provides local on-the-ground management and utilization and marketing service to the public.*

IF YOU ARE A LOGGER . . .

Service foresters and utilization and marketing specialists are available to help you plan efficient logging operations. As the science of wood technology advances, new products and uses offer opportunities to harvest and sell materials previously left in the woods. Specialists can help you with—

BUCKING AND GRADING. You should plan for the most profitable market before touching the tree. Hasty or ill-advised bucking into logs or bolts may render highly valuable raw material unsuitable for the best-paying market. Careful sorting and grading of the products before hauling can add to the success of a woods operation. You should consider giving special training to those responsible for bucking.

EQUIPMENT. Savings in operation costs can result from proper choice of equipment for cutting, skidding, loading, and hauling. Within your capital investment limitation, you should consider carefully the increased productivity each item of equipment can contribute. Choice of tractors and loaders, use of single oversize tires versus double wheels, and the purchase of power units all require a thorough knowledge of equipment design and efficiency.

ROADS. Ready access to all parts of a logging area is necessary for efficient harvesting. Good location and design will reduce logging costs, but poor judgment in location and design will increase costs and create delays. Poorly designed roads often cause gullying.

SAFETY. Proper safety training pays big dividends in fewer lost time accidents, smaller hospital bills, and lower insurance rates. Safety equipment is developed and improved constantly. You should keep up to date in safety practices. The loss of a key man at a critical time can mean failure to meet delivery dates and the loss of market and money.

BUSINESS MANAGEMENT. Expansion, improvements, and cost analysis of a woods operation depend on accurate records of each phase of an operation. Simple record keeping to show a profit or loss can be invaluable. A simple contract can prevent arguments between you and the owner. When operating on a slim margin of profit, you can benefit from previous records of harvesting similar species for a particular market. Bank loans, credit, and tax returns often require access to accurate records.



TRAINING. Supervisors and workmen can benefit through training programs conducted by utilization and marketing specialists. Such training can result in greater efficiency, safety consciousness, and economy of operation.



IF YOU ARE A PROCESSOR . . .

Keep in mind that processing requires special skills and knowledge. To compete successfully, you must be efficient and up to date. Success or failure will depend on your business sense, knowledge of market trends, and ability to meet market demands. High grade yield and reduction of waste are uppermost in the mind of the successful processor; he knows that good utilization is the key to survival in this highly competitive business. Both the State Forester and the Forest Service offer services of processing specialists. Some important features with which these utilization and marketing specialists can help you are—

TRAINING. Short training courses are frequently available at land-grant universities.

COST CONTROL. The “break-even” point must always be considered in your planning. This is the point at which you begin to show a profit from your investment. It can be determined only through an analysis of production costs as related to the price received for the product sold.

SYSTEMS ANALYSIS. To build and maintain an efficient operation, you should periodically examine alternatives of operations. Even slight changes in methods or equipment sometimes result in a great increase in productivity.

PLANT LAYOUT. The smooth flow of material through the processing plant depends upon proper lighting and design of machinery and equipment to minimize handling. Time and motion studies by a competent technician can be of great value as you expand and modernize your production system.

MAINTENANCE. Careful maintenance of equipment cuts time lost because of mechanical breakdown. It will help the operator to meet commitments and maintain markets. Training of competent millwrights, mechanics, and other skilled workers is the mark of farsighted management.

YIELD. Production costs and profits depend on the cost of raw material, the time or labor required to convert it to usable products, and the yield of products or product parts obtained. Studies of yield from basic production units can reveal inefficient equipment or methods, or use of the wrong raw material for the job.

DRYING. Air drying, accelerated air drying, kiln drying—each has particular usefulness and advantages. Each also has benefited in recent years from research and improved techniques. Utilization and marketing specialists know about new developments and can adapt them to your needs and markets.

QUALITY CONTROL. As in any manufacturing enterprise, a loss of quality in production means a loss in profits. Effective quality control requires experience, training, regular inspection, and effective overall management and supervision of the plant, its related operations, and its employees.

MARKETING. Finding the best market is a continuous chore. Tailoring the product to changing markets is a challenge to ingenuity. The ability to develop a new market or to anticipate a new trend can prove of great benefit. Efficient marketing requires a knowledge of the volume, availability, and type of raw material, and the ability to create from the available material a marketable product at a competitive price with an adequate margin for profit. Carefully planned advertising, effective packaging, and good service are important tools of the trade.

SUMMING UP

Close cooperation among woodland owners, loggers, wood processors, and those who offer assistance to them can lead to greater efficiency and expanded job opportunity. As timber and other products of the forest are used more completely, the earning potential of the land is increased. Thriving industries based on dependable sources of raw material and well-developed markets raise the standard of living in the timber-producing regions of the country.

Thus, modern utilization and marketing of forest products presents a challenge to us all, because it concerns both PEOPLE and FORESTS.

WHAT TO DO IF YOU ARE A WOODLAND OWNER, LOGGER, OR PROCESSOR WHO NEEDS TECHNICAL UTILIZATION AND MARKETING ASSISTANCE—

Most areas will have one or more public officials who can either assist you or direct you to the nearest source of help. Write your State Forester, Forest Service Area Director or Regional Forester, or contact any of the following:

- Utilization and Marketing Specialist
- State Service Forester
- State District Forester
- County Forester
- Extension Forester
- County Agent
- National Forest Ranger
- Soil Conservationist
- Rural Area Development Committee
- Forestry School

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